

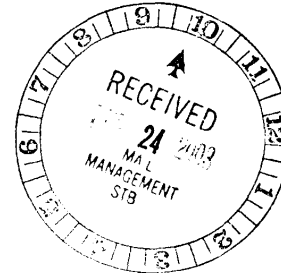


First Union Rail Corporation
NC5811
Commercial Leasing Group
One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018
Tel 847 318-7575
847 318-7588

VIA UPS 2nd DAY AIR

February 20, 2003

RECORDATION NO. **22721-F** FILED
FEB 24 '03 12-37 PM
SURFACE TRANSPORTATION BOARD



Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) originals and one (1) copy of a Memorandum of Lease Agreement, dated January 31, 2003, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Commission under Recordation Number 22721.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Twin Cities & Western Railroad Company
2925 - 12th Street East
Glencoe, MN 55336

A description of the railroad equipment covered by the enclosed document is one (1) gondola car, with car number NOKL 322042.

A short summary of the document to appear in the index follows: Memorandum of Lease

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5342. Thank you for your cooperation in this matter.

Very truly yours,

Amy Carone
Manager of Documentation

Enclosures

(TCW019)

RECORDATION NO. 22721-F FILED

ASSGN. NO.: TCW019

MEMORANDUM OF LEASE

FEB 24 '03

12:37 PM

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 31st day of January, 2003 by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Twin Cities & Western Railroad Company, a Minnesota corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement, dated as of February 25, 1998, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 19 to the Lease (the "Rider") as described in more particular on Exhibit A attached hereto, effective as of December 27, 2002, and subject to the terms, conditions and provisions of the above mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: K.A. Dombrowski
Name: K.A. DOMBROWSKI
Title: DIRECTOR OF DOCUMENTATION

By: Richard F. Seymour
Name: RICHARD F. SEYMOUR
Title: Vice President Sales & Marketing
Executed on this 31st day of January, 2003

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 31st day of January, 2003.

Susan Grokulska
Notary Public

My Commission Expires:

8-14-2004
(Notary Public)



LESSEE:

TWIN CITIES & WESTERN
RAILROAD COMPANY

ATTEST:

By: Lloyd T. Host
Name: LLOYD T. HOST
Title: VP Marketing & Sales

By: _____
Name: _____
Title: _____

Executed on this ____ day of _____, 2003.

[CORPORATE SEAL]

STATE OF Minnesota
COUNTY OF McLeod

I, Rachel B. Huls, a Notary Public of the County and State
aforesaid, certify that Lloyd T. Host personally appeared before me
this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 27th day of January, 2003.

Rachel B. Huls
Notary Public

My Commission Expires:

1-31-05
(Notary Public)

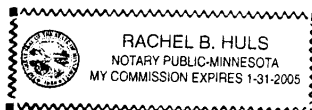


EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: One (1)

DESCRIPTION OF CARS: Gondola Car, 52' 6"

CAR NUMBERS: NOKL 322042